

(2) by striking “AND 2010” in the heading and inserting “, 2010, AND 2011”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to obligations issued after December 31, 2010.

SEC. 604. EXTENSION AND ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY.

(a) **EXTENSION OF RECOVERY ZONE BOND AUTHORITY.**—Section 1400U-2(b)(1) and section 1400U-3(b)(1)(B) are each amended by striking “January 1, 2011” and inserting “January 1, 2012”.

(b) **ADDITIONAL ALLOCATIONS OF RECOVERY ZONE BOND AUTHORITY BASED ON UNEMPLOYMENT.**—Section 1400U-1 is amended by adding at the end the following new subsection:

“(c) **ALLOCATION OF 2010 RECOVERY ZONE BOND LIMITATIONS BASED ON UNEMPLOYMENT.**—

“(1) **IN GENERAL.**—The Secretary shall allocate the 2010 national recovery zone economic development bond limitation and the 2010 national recovery zone facility bond limitation among the States in the proportion that each such State’s 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all of the States.

“(2) **MINIMUM ALLOCATION.**—The Secretary shall adjust the allocations under paragraph (1) for each State to the extent necessary to ensure that no State (prior to any reduction under paragraph (3)) receives less than 0.9 percent of the 2010 national recovery zone economic development bond limitation and 0.9 percent of the 2010 national recovery zone facility bond limitation.

“(3) **ALLOCATIONS BY STATES.**—

“(A) **IN GENERAL.**—Each State with respect to which an allocation is made under paragraph (1) shall reallocate such allocation among the counties and large municipalities (as defined in subsection (a)(3)(B)) in such State in the proportion that each such county’s or municipality’s 2009 unemployment number bears to the aggregate of the 2009 unemployment numbers for all the counties and large municipalities (as so defined) in such State.

“(B) **2010 ALLOCATION REDUCED BY AMOUNT OF PREVIOUS ALLOCATION.**—Each State shall reduce (but not below zero)—

“(i) the amount of the 2010 national recovery zone economic development bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone economic development bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof), and

“(ii) the amount of the 2010 national recovery zone facility bond limitation allocated to each county or large municipality (as so defined) in such State by the amount of the national recovery zone facility bond limitation allocated to such county or large municipality under subsection (a)(3)(A) (determined without regard to any waiver thereof).

“(C) **WAIVER OF SUBALLOCATIONS.**—A county or municipality may waive any portion of an allocation made under this paragraph. A county or municipality shall be treated as having waived any portion of an allocation made under this paragraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.

“(D) **SPECIAL RULE FOR A MUNICIPALITY IN A COUNTY.**—In the case of any large municipality any portion of which is in a county, such portion shall be treated as part of such municipality and not part of such county.

“(4) **2009 UNEMPLOYMENT NUMBER.**—For purposes of this subsection, the term ‘2009 unemployment number’ means, with respect to

any State, county or municipality, the number of individuals in such State, county, or municipality who were determined to be unemployed by the Bureau of Labor Statistics for December 2009.

“(5) **2010 NATIONAL LIMITATIONS.**—

“(A) **RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS.**—The 2010 national recovery zone economic development bond limitation is \$10,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U-2 in the same manner as an allocation of national recovery zone economic development bond limitation.

“(B) **RECOVERY ZONE FACILITY BONDS.**—The 2010 national recovery zone facility bond limitation is \$15,000,000,000. Any allocation of such limitation under this subsection shall be treated for purposes of section 1400U-3 in the same manner as an allocation of national recovery zone facility bond limitation.”

(c) **AUTHORITY OF STATE TO WAIVE CERTAIN 2009 ALLOCATIONS.**—Subparagraph (A) of section 1400U-1(a)(3) is amended by adding at the end the following: “A county or municipality shall be treated as having waived any portion of an allocation made under this subparagraph which has not been allocated to a bond issued before May 1, 2011. Any allocation waived (or treated as waived) under this subparagraph may be used or reallocated by the State.”

SEC. 605. ALLOWANCE OF NEW MARKETS TAX CREDIT AGAINST ALTERNATIVE MINIMUM TAX.

(a) **IN GENERAL.**—Subparagraph (B) of section 38(c)(4), as amended by the Patient Protection and Affordable Care Act, is amended by redesignating clauses (v) through (ix) as clauses (vi) through (x), respectively, and by inserting after clause (iv) the following new clause:

“(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made before January 1, 2013.”

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after March 15, 2010.

SEC. 606. EXTENSION OF TAX-EXEMPT ELIGIBILITY FOR LOANS GUARANTEED BY FEDERAL HOME LOAN BANKS.

Clause (iv) of section 149(b)(3)(A) is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

SEC. 607. EXTENSION OF TEMPORARY SMALL ISSUER RULES FOR ALLOCATION OF TAX-EXEMPT INTEREST EXPENSE BY FINANCIAL INSTITUTIONS.

(a) **IN GENERAL.**—Clauses (i), (ii), and (iii) of section 265(b)(3)(G) are each amended by striking “or 2010” and inserting “, 2010, or 2011”.

(b) **CONFORMING AMENDMENT.**—Subparagraph (G) of section 265(b)(3) is amended by striking “AND 2010” in the heading and inserting “, 2010, AND 2011”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to obligations issued after December 31, 2010.

Subtitle B—Energy

SEC. 611. ALTERNATIVE MOTOR VEHICLE CREDIT FOR NEW QUALIFIED HYBRID MOTOR VEHICLES OTHER THAN PASSENGER AUTOMOBILES AND LIGHT TRUCKS.

(a) **IN GENERAL.**—Paragraph (3) of section 30B(k) is amended by striking “December 31, 2009” and inserting “December 31, 2011”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property purchased after December 31, 2009.

SEC. 612. INCENTIVES FOR BIODIESEL AND RENEWABLE DIESEL.

(a) **CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.**—Subsection (g) of sec-

tion 40A is amended by striking “December 31, 2009” and inserting “December 31, 2011”.

(b) **EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.**—

(1) Paragraph (6) of section 6426(c) is amended by striking “December 31, 2009” and inserting “December 31, 2011”.

(2) Subparagraph (B) of section 6427(e)(6) is amended by striking “December 31, 2009” and inserting “December 31, 2011”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to fuel sold or used after December 31, 2009.

SEC. 613. CREDIT FOR ELECTRICITY PRODUCED AT CERTAIN OPEN-LOOP BIOMASS FACILITIES.

(a) **IN GENERAL.**—Clause (ii) of section 45(b)(4)(B) is amended—

(1) by striking “5-year period” and inserting “7-year period”; and

(2) by adding at the end the following: “In the case of the next-to-last year of the 7-year period described in the preceding sentence, the credit determined under subsection (a) with respect to electricity produced during such year shall not exceed 80 percent of such credit determined without regard to this sentence. In the case of the last year of such 7-year period, the credit determined under subsection (a) with respect to electricity produced during such year shall not exceed 60 percent of such credit determined without regard to this sentence.”

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to electricity produced and sold after December 31, 2009.

SEC. 614. CREDIT FOR STEEL INDUSTRY FUEL.

(a) **CREDIT PERIOD.**—

(1) **IN GENERAL.**—Subclause (II) of section 45(e)(8)(D)(ii) is amended to read as follows:

“(II) **CREDIT PERIOD.**—In lieu of the 10-year period referred to in clauses (i) and (ii)(II) of subparagraph (A), the credit period shall be the period beginning on the date that the facility first produces steel industry fuel that is sold to an unrelated person after September 30, 2008, and ending 3 years after such date.”

(2) **CONFORMING AMENDMENT.**—Section 45(e)(8)(D) is amended by striking clause (iii) and by redesignating clause (iv) as clause (iii).

(b) **EXTENSION OF PLACED-IN-SERVICE DATE.**—Subparagraph (A) of section 45(d)(8) is amended—

(1) by striking “(or any modification to a facility)”; and

(2) by striking “2010” and inserting “2012”.

(c) **CLARIFICATIONS.**—

(1) **STEEL INDUSTRY FUEL.**—Subclause (I) of section 45(c)(7)(C)(i) is amended by inserting “, a blend of coal and petroleum coke, or other coke feedstock” after “on coal”.

(2) **OWNERSHIP INTEREST.**—Section 45(d)(8) is amended by adding at the end the following new flush sentence:

“With respect to a facility producing steel industry fuel, no person (including a ground lessor, customer, supplier, or technology licensor) shall be treated as having an ownership interest in the facility or as otherwise entitled to the credit allowable under subsection (a) with respect to such facility if such person’s rent, license fee, or other entitlement to net payments from the owner of such facility is measured by a fixed dollar amount or a fixed amount per ton, or otherwise determined without regard to the profit or loss of such facility.”

(3) **PRODUCTION AND SALE.**—Subparagraph (D) of section 45(e)(8), as amended by subsection (a)(2), is amended by redesignating clause (iii) as clause (iv) and by inserting after clause (ii) the following new clause:

“(iii) **PRODUCTION AND SALE.**—The owner of a facility producing steel industry fuel shall